GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:3389
ANSWERED ON:13.03.2003
RUNNING OF TRAIN WITH BIO DIESEL
ASHOK KUMAR PATEL

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Government have decided to give the railway land to the public sector oil company Indian Oil for cultivation of the plants used in producing bio diesel;

(b) if so, whether any Memorandum of Understanding has been signed between Railways and Indian Oil in this regard;

(c) if so, the details thereof; and

(d) the total railway lands in acres likely to be used initially for this purpose?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA)

(a) Railways have decided to offer 500 Hectares of land to M/s Indian Oil Corporation on a token lease of Re.1 per yearfor plantation of Jatropha Curcas which can produce bio-diesel.

(b) A Memorandum of Understanding for launching the Pilot Project has been signed between Indian Oil Corporation and Railways.

(c) A copy of salient features of the Pilot Project on Bio- diesel is enclosed as Annexure.

(d) 1235 Acres (500 Hectares) approximately.

ANNEXURE

Pilot Project on Bio-Diesel

Salient features

Â§ Railways will offer about 500 hectare of compact land to IOC on a token lease of Re.1 per annum for plantation of Jatropha Carcus. Possible locations for such land are − Rajkot (647 Hectare), Bhavnagar (727 hectare), Jaipur (440 hectare).

Â§ IOC will take up plantation, extraction, trans - esterification, (Refining as Bio-diesel) blending, testing at their own expense. IOC will out source some/all the activities.

Â§ IR will use Bio-diesel supplied by IOC. Starting with 5% Bio-diesel they will go up to 20% after gaining field experience and confidence.

Â§ Plantation of 500 Hectare of Jatropha is expected to give 500-800 tons of Bio-diesel per year beginning 3rd year of plantation.

Â§ Estimates gathered from NOVAD indicate an expenditure of Rs.40,000/Hectare on plantation, which includes care of plants for one year.

Â§ Trans-esterification plants of 1-4 T/day capacity are commercially available at an estimated cost of Rs.8-12 lacs. Alternatively, this activity can be out sourced.

Â§ Considering a production of 500-800 tonnes of Bio- diesel from the pilot project, an estimated 10,000-16,000 tons of blended bio-diesel shall be available to IR.

Â§ The existing estimates by the Ministry of Agriculture indicate a price of Rs. 11-12/litre for bio-diesel.

However, there are many assumptions in the estimate as this activity is being taken in hand for the first time in the country. The final prices could be at variance with the estimated price and will be jointly decided by IOC and IR separately.

Â§ Storage/dispensing facilities for the blended product will be arranged at the identified diesel loco shed.

Â§ Railways will exclusively procure Bio-Diesel from IOC for a period of 8 years from the date of signing of MOU or 6 years from the date of supply of Bio-Diesel from the pilot project, whichever is earlier.

Â§ In case IOC is not able to meet full requirement of IR, it will be free to take Bio-Diesel from elsewhere.

Â§ If, any vendor is willing to supply Bio-Diesel at a lower price he will be directed to IOC who in turn will supply the oil so procured to the Railways.

Â§ IOC and the Railways through negotiation will mutually decide Price of Bio-Diesel. The Pilot Project is for a period of 15 years extendable through mutual consent.